

**EFFECTIVE DATE:** April 24, 1999

**SUBJECT: Required Documentation in Support of Salaries and Wages Charged to Federal or State Grant Awards**

**I. PURPOSE**

The purpose of this directive is to establish guidelines for documentation to support salaries and wages paid to City employees and charged to Federal or State grants. Due to recent changes to OMB Circular A-87 (which is the Federal circular mandating specific requirements for costs charged to Federal grants), the City will now require the maintenance of documentation, as specified in this directive, for all salaries and wages charged to any Federal or State grant.

**II. POLICY**

A. Charges to Federal or State grants for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with City payroll policy and approved by a responsible official(s) of the City of San Antonio. Further, employees who receive salaries and wages that are fully or partially charged to a Federal or State grant, whether treated as direct or indirect costs, must provide certifications or time sheets to document the time worked. Certifications and time sheets will be retained in the employee's department and be available for examination by the City's Office of Internal Review and/or Federal and State audit or grant monitoring organizations.

1. Certifications - Where employees are expected to work solely on a single Federal or State grant award, charges for their salaries and wages will be supported by certifications that the employees worked solely on that program for the period covered by the certification (see Attachment 1 for a sample certification). These certifications will be prepared at least biweekly to correspond with the biweekly pay period, and will be signed by the employee and a supervisory official having first hand knowledge of the work performed by the employee. Departments may elect to use time sheets or a time accounting system to document employees' time who work solely on single Federal or State grant awards. If so, the requirements set forth below will be followed.

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2. **Time Sheets** - Where employees **work on multiple Federal or State grants**, and their time is charged accordingly, a distribution of their salaries and wages will be **supported by time sheets** that meet the standards below (see Attachment 2 for a sample time sheet).
  - a. Time sheets will be required where employees work on:
    - 1) More than one grant activity,
    - 2) A grant activity and a non-grant activity,
    - 3) An indirect cost activity and a direct cost activity, or
    - 4) An unallowable activity and a direct or indirect cost activity.
  - b. Time sheets must meet the following standards:
    - 1) They must reflect an after-the-fact distribution of the actual activity of each employee,
    - 2) They must account for the total activity, including overtime, for which each employee is compensated,
    - 3) They must be prepared each week and coincide with a work week within a biweekly pay period, and
    - 4) They must be signed by the employee and the employee's supervisor.
3. **Budget Estimates** - Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal or State grant awards but may be used for interim accounting purposes, provided that:
  - a. The department's system for establishing the estimates produces reasonable approximations of the activity actually performed,
  - b. At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly time sheets are performed. Costs charged to Federal or State grant awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent, and

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- c. The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.
4. **Cost Sharing or Matching Requirements** - Salaries and wages of City employees used in meeting cost sharing or matching requirements of Federal or State awards must be supported in the same manner as those claimed as allowable costs under Federal or State awards. Therefore, the timekeeping requirements set forth in paragraphs II. A. 1, 2, and 3 above will be followed for all City employees whose salaries, or a portion thereof, are used for matching requirements.
- B. Donated or volunteer services may on occasion be furnished to the City by professional and technical personnel, consultants, and other skilled and unskilled labor for the benefit of a grant activity. While the value of these services is not reimbursable either as a direct or indirect cost, their value may be used to meet cost sharing or matching requirements in accordance with the provisions of the Common Rule.
  1. If the value of donated services used in the performance of a direct cost activity becomes material in amount, it should be included in the determination of the City's indirect costs or rate(s) and accordingly shall be allocated a proportionate share of applicable indirect costs.

Donated services will be documented and supported in the same manner prescribed in paragraphs II. A. 1, 2, 3, and 4 above.

### **III. RESPONSIBILITIES**

- A. **Department Directors** - It is the responsibility of department directors to implement a system for maintaining time distribution records, to include time sheets and certifications, as applicable, for their employees whose salaries and wages are charged to Federal or State grant awards.
- B. **Supervisors** - It is the responsibility of supervisors who have first hand knowledge of the work performed by their employees to approve certifications and time sheets for those employees whose salaries and wages are charged to Federal or State grant awards.
- C. **Employees** - It is the responsibility of employees whose salaries and wages are charged to a Federal or State grant award to verify and sign their time sheets or certification statements.

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#### IV. DEFINITIONS

- A. Allowable Activity - An activity that has been approved by the granting agency to be charged to a Federal or State grant and results in costs that meet the general criteria outlined in OMB Circular A-87, Attachment A, Provision C. 1.
- B. Certification - A statement by an employee and approved by a supervisor stating that the employee worked solely on a particular program for the period covered by the certification.
- C. Common Rule - A Federal regulation (53 FR 8034-8103) titled "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" is referred to as the Common Rule.
- D. Cost Objective - A function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.
- E. Direct Cost Activity - Activity for which the compensation to an employee for the time worked can be identified specifically with a particular grant award or project.
- F. Grant Award - A grant, cost reimbursement contract, or other agreement between the City and the Federal government, or between the City and the State of Texas involving Federal or State funds.
- G. Indirect Cost Activity - Activity under which the costs are incurred for a common or joint purpose benefiting more than one cost objective and not readily assigned to the cost objectives specifically benefited.
- H. OMB Circular A-87 - United States Office of Management and Budget circular titled, "*Cost Principles for State, Local, and Indian Tribe Governments.*" Circular A-87 requires monthly reports for employees engaged in two or more programs or activities and semiannual reports for employees engaged in only one Federal or other project or activity that could affect the charges to Federal programs.
- I. Unallowable Activity - An activity that results in costs that do not meet the general criteria outlined in OMB Circular A-87, Attachment A, Provision C. 1. These unallowable costs are costs that do not provide a benefit to Federal or State programs or are considered not acceptable charges as a matter of public policy.
- J. Work Week - The work week for the City of San Antonio starts at 12:01 a.m. on a Saturday and ends at 12:00 a.m. (midnight) on the following Friday.

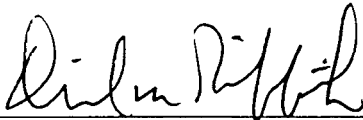
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**V. QUESTIONED COSTS**

Failure to document salaries and wages as described above may result in disallowed or questioned costs or reductions that will ultimately have to be repaid to the granting agency with non-federal funds.

**VI. IMPLEMENTATION**

Immediate implementation of this Administrative Directive is required.



David M. Griffith, CPA  
Director  
Office of Internal Review

March 23, 1999

Date

Approved:



Alexander E. Briseño  
City Manager

4-16-99

Date

## CITY OF SAN ANTONIO

Department Name

Division Name

**Certification For Employees Working Solely  
on a Single Federal/State Award or Cost Objective**

Grant/Cost Objective Description: \_\_\_\_\_

Pay Period: \_\_\_\_\_

**Employee Certification:**

I certify that I worked solely on the grant/cost objective and during the pay period identified above.

| Employee Printed Name: | Employee Signature: |
|------------------------|---------------------|
| 1 _____                | _____               |
| 2 _____                | _____               |
| 3 _____                | _____               |
| 4 _____                | _____               |
| 5 _____                | _____               |
| 6 _____                | _____               |
| 7 _____                | _____               |
| 8 _____                | _____               |
| 9 _____                | _____               |
| 10 _____               | _____               |
| 11 _____               | _____               |
| 12 _____               | _____               |
| 13 _____               | _____               |
| 14 _____               | _____               |
| 15 _____               | _____               |

**Supervisor Certification:**

I certify that the above employees worked solely on the grant/cost objective and during the pay period identified above.

\_\_\_\_\_  
Printed Name of Supervisor/Division Chief\_\_\_\_\_  
Signature of Supervisor/Division Chief\_\_\_\_\_  
Date

**CITY OF SAN ANTONIO**  
Name of Department  
**TIME DISTRIBUTION RECORD**

[illegible]

Date \_\_\_\_\_